

that he has taken. We strongly support it. Never, nothing could ever be put into that hole in the ground—given our defense partnership here, nothing could ever be put in that hole in the ground that would give the North Koreans as much advantage, as much power, as much wealth, as much happiness as more of those ships going up there full of people from here. I think that is the most important message I would like to leave with you today.

Impeachment Inquiry

Q. Mr. President, you said before that it's up to Congress to decide your fate, but you have also said that you want to restore honor to your Presidency and bring closure to the Nation. Sir, do you personally believe that you should face some kind of punishment and that this requires some kind of punishment to bring closure to the Nation, like an apology before Congress?

President Clinton. Well, first of all, again I say, there has been a lot of suffering—that is different from punishment, although it's hard to see the difference sometimes as you're going through it. For me, this long ago ceased to be a political issue or a legal issue and became a personal one. And every day I do my best to put it right, personally.

It is simply not appropriate at this time, in my view, for me to comment on what the Con-

gress should do. The American people and Congress can—I hope will do the right—I trust the American people, and I hope Congress will do the right thing in a nonpolitical way, if you will, to get beyond the partisanship and go on.

I do believe that the long-awaited acknowledgment that there is nothing on which to proceed in the travel issue and the file issue and Whitewater—which this matter was supposed to be about—is a positive thing. I think, surely, it will help us to get this over with. But my only concern, as I said, is that we get this behind us and go on with the business of the country. But I think the less I say about what should happen to me at this point, the better. To me it's—I need to focus on the work I came here to do, and others need to make that decision.

NOTE: The President's 166th news conference began at 1:53 p.m. in the Press Conference Hall at the Blue House. In his remarks, he referred to Richard Butler, executive chairman, United Nations Special Commission (UNSCOM); and President Bacharuddin Jusuf Habibie of Indonesia. President Kim referred to Chung Ju-yung, founder and honorary chairman, Hyundai Group conglomerate. President Kim spoke in Korean, and his remarks were translated by an interpreter.

Remarks in a Roundtable Discussion With Community Leaders in Seoul
November 21, 1998

The President. Thank you. First of all, I would like to thank all of you for coming here today to meet with us. I wanted to have an opportunity while I was in Korea to hear directly from some people who are living through these changes and who have different views and different experiences that I would hope you would share with me, because I want very much to understand how what is happening in Korea today and where you are going actually affects the lives of the people here in this country. And so that is why I wanted to do this. I thank you for being brave enough to come here and do this. Thank you for helping us.

And I want to thank Senator Baucus and Assistant Secretary Koh for joining me; he's com-

ing home—[laughter]—and Senator Baucus and I feel at home here. And I want to thank my Ambassador. So maybe you guys could come around, and we could begin the meeting. I think we're through with the photos.

Ambassador Steven W. Bosworth. Mr. President, you spoke earlier of your admiration for the resolute spirit with which Korean people are responding to what President Kim Dae-jung has described as the most serious crisis in Korea since the Korean war. And I think we're fortunate to have a group of people around this table this afternoon who can give you some insight into how Korea is handling this crisis, what does the future look like here, and how individual

Koreans and individual Korean companies are responding to what is happening here.

And I don't have any particular order. If you care to say anything to begin, other than what you've already said, or if perhaps some of our guests would care to speak, then we can have what I hope will be a conversation.

The President. I would only like to make two points: first of all, that all over the world today, even where there is a good economy, in the places where this financial crisis has not hit, even there, there is a tension between getting the benefits of the global economy and the information revolution, and preserving, if you will, the social contract, the stability of life that honors work and family and community. And so one of the great challenges that we face is how to get the benefits of this emerging economy and still preserve an appropriate level of social cohesion and stability. And it's even an issue in the wealthiest countries of the world, you know, the ones that have not had any.

The second point I wish to make is that if you look at what has happened in Asia, in every case there are reasons which are unique to the country—that is, there are some problems that are particular to the country—but there are also common problems which cross the lines of country and which warn us very clearly that there must be, at least in my opinion, a global response not only to the present crisis but to the long-term need to adapt the financial system of the world to the realities of the 21st century, so that we do not have this kind of thing occurring again, sweeping across national lines. And I think there are some things that we have done and some things we can do to do that.

So what is important for me—of course, I want you to say whatever it is you would like to say to me, but what I am trying to do is to understand exactly what is happening here, your perspective on it, how it happened, why, and what you think either should be done further in Korea or what you believe the United States should do or advocate.

[Ambassador Bosworth opened the discussion. Chang Ha Sung, chairman, Committee for Economic Democratization, said that although South Korea had accomplished economic growth, it was a relatively small nation, and in order to maintain an open and liberalized economy, it needed action from international institutions to stabilize the international financial market.]

The President. I agree with that. Who would like to go next?

[Park In-sang, president, Federation of Korean Trade Unions, agreed in acknowledging the internal causes of the South Korean economic and financial crisis but recognizing that the international financial market played a role as well. He emphasized that the United States must maintain a stable economy; discussed the importance of the steel industry to South Korea's economy; and urged the United States to be more patient concerning Korean steel exports.]

The President. Maybe I could respond just for a minute. I would like to save my answer to Professor Chang until along toward the end because I want to talk more about the financial issues then. But I would like to just answer the steel question and the import question.

First of all, when Asia began to have such difficulties—about a year ago now, I remember, it was really getting bad. On our Thanksgiving holiday—which is next Thursday—last year, I spent 3 or 4 hours working on the problem in Indonesia. It became obvious to us that this problem would affect a lot of Asian countries and Russia. And so we made a decision, our Government did, that we would first try to stop the problem from spreading; second, we would try to help individual countries recover; and third, we would look at the long-term causes of this and the long-term changes in the world economic system that needed to be made.

Now, we made a deliberate decision that we would make every effort to keep our markets as open as possible, even though we knew our trade deficit would go way up. For example, in the case of Korea, Korean imports into the U.S. are up, and U.S. exports to Korea this year are about one-half what they were last year, about \$12 billion or \$13 billion less. But that's OK—that's understandable because of the economic problems.

I say that just to tell you, sir, that what we're trying to do is to help all the Asian economies and the Russian economy and others by keeping our own economic growth going, but also keeping our doors open so we can buy products in tough times and help our trading partners.

Now, here is the problem. If we have a big increase in our overall trade deficit and it's evenly spread, that's something we can live with for a year or two. But as a practical matter, if it's all concentrated in one or two areas, then

our industries, which are in normal times quite productive, could be put out of business, and they could find a very hard time getting back in business when the economy improves, because of the cost of starting up.

We went through a big restructuring in our steel industry in the 1980's. We cut employment a lot. It was very painful for our union members and for our executives. And we have been doing pretty well. And you have to see the Korean experience, which is basically about a 140 percent increase, 120 percent increase in exports to America in steel this year, against the background of what's happening from other countries. In Japan there is a 500 percent increase in hot-rolled steel products; in Russia, 300 percent increase; a big increase from Brazil. So we have the American steel industry saying, "Okay, we want you to buy more products from other countries. We want you to help them in this tough time. But if it's all coming at our expense, when in normal times we are quite competitive, then what happens when normal times recover and we're not around anymore?"

So that's what I'm trying to—we're trying to balance that. So I guess what I'm saying, President Park, is, I agree with you. The United States should keep our markets open to the rest of the world and help our friends deal with this crisis. But we have to be sensitive if the price of doing that would be to basically erase a big part of our economy which then could not come back when normal times recovered. So we're trying to balance two difficult things.

[Ambassador Bosworth called on Sohn Bong Sook, director, Center for Korean Women in Politics, who stated that women were the first to get laid off because they were not viewed as the breadwinners of the household, and that unemployment in general contributed to the erosion of traditional family values. She stressed that political corruption was one of the main causes of the economic problem and that further economic deterioration would act as a barrier to further democratic development. Park Yong-oh, chairman, Doosan Corp., described the 100-year-old firm's restructuring efforts, which began in 1995, and praised President Kim's commitment to restructuring to strengthen Korea's competitiveness.]

The President. Can you tell us exactly what you did? In the restructuring, did you change the organization of your company; did you re-

duce the layers of administration; did you reorganize the way the workers were working? How did you restructure your company? What were the two or three most important elements of your restructuring?

[Chairman Park described selling off joint ventures and real estate holdings; reducing the work force through an early retirement program and strengthened pension programs; and merging nine separate companies into one. Park Byung Yeop, president, Pantech, said that as president of a small company, he thought the country's focus on big companies had contributed to the crisis, but that the Korean Government's restructuring program was on the right track. He stated that smaller companies would be the driving force for further growth of the Korean economy, noting that Motorola, one of the biggest telecommunications firms in Korea, had invested in his company. Yoo Seong-min, director, Korean Development Institute, stated that conglomerates were the unique characteristic of the Korean economy, contributing to development in the past as well as to the current crisis, and that while restructuring and reform efforts had been criticized for being too slow, he believed that moving too fast would have some bad effects. He then asked how the United States had harmonized economic development with political democratization.]

The President. Well, first of all, I would like to say in response to the last comments that you made, that it is both my experience over the last 25 years and my observation of our history and global economic history that there is no economic model that succeeds forever, not in a business or in a country, because the very nature of the economy is the dynamic.

So I think that Korea should not, in effect, rewrite its own successful history. You have—this country has done some very great things in the last few decades since the end of the Korean war. And no economic model succeeds forever. I mean, keep in mind, today people come up to me and they say, all over the world, "Oh, America is doing so great." Well, you know, 10 years ago people were saying, "Oh, America is in decline, and they can't do anything right." Things change. So the trick is how to make the necessary changes and preserve the purpose of economic activity, which is to advance the quality of life, to lift people's lives.

So that's just a general observation. Now, I think Chairman Park made a very valuable point, which is that it takes time to change an organization if you wish to preserve the integrity of the organization and you want it to work and also if you don't want to hurt a lot of people. He cut the size of his operation by 50 percent, so if you want to do that, it takes time.

From my point of view, my impatience on the restructuring of the big five, I would say it should take time, and we should be patient, but they should begin. They should begin. That's what we're interested in. Are they going to begin?

From the point of view of President Park over here who was talking about his new business and his partnership with Motorola, I believe that one of the things that we should be very sensitive to in the United States, particularly dealing with Korea, since we have been through a lot of this, is if your big companies are going to restructure and reduce employment to increase profitability and their ability to compete, then I think it is very important that there be systems in this country that encourage the creation of more new companies. That's what you were talking about.

In the U.S., one of the most important parts of our economy is the so-called venture capital economy, where we have new companies being created all the time or smaller businesses being expanded all the time. And so I think it's important, even though there have been a lot of bad bank loans and people are worried about bad bank loans and everything, we have to realize, when all this is said and done, you must still have a good credit system here where people who have something to do should be able to borrow money to do it. I think that's very important.

The last point I would like to make is that—just about what all of you have said—is to go back to what Dr. Sohn said about the women. The more rapidly an economy or a society changes, whether it's going up or going down but especially if it's going down, the more strains will be put on family life.

Now, I believe at least, the most important work of any society is the raising of children. And in a funny way, we have opposite problems. Many people believe in America too many of our parents are in the work force, so nobody is home with the children. But in most Asian

societies it's a good thing if you can have more opportunities—job opportunities for women so there can be some more balance and more income to raise the children.

So I think it would be a very good thing—I don't have the answers to this. What I have seen, though, in our own experience, is that there is no perfect answer, but there is a good process. And a good process is one that takes full account of the interests and feelings and ideas and opinions of the women of the society.

That is, what would be the best answer for Korea would not be the best answer for Thailand, would not be the best answer for the United States. But there is a good process. And in too many places in the world today, women are used economically when it's convenient and then discarded when it's not, and their voices aren't heard. And I think that's a mistake. So I think what you're doing is very important.

I wonder if Senator Baucus or Secretary Koh would like to say anything.

[Senator Max Baucus praised South Korea's accomplishments since the Korean war.]

The President. It's amazing. There's no other place in the world—

[Senator Baucus suggested that the Korean Government should not only be concerned about producers but also empower consumers to contribute to a dialog about how to address the economic crisis. Harold H. Koh, U.S. Assistant Secretary of State for Democracy, Human Rights, and Labor, then recalled his 1974 visit to South Korea, during a similar period of economic hardship in which people favored export-led growth controlled by an authoritarian government. He praised South Korea's new commitment to do it with democracy. Ambassador Bosworth asked for closing remarks, and labor leader Park In-sang stated that President Kim Dae-jung had broken away from the military and authoritarian approach of the past, and that from the labor perspective democracy was very important for economic growth. He then expressed concern that the U.S. military might cut 2,000 jobs in South Korea and asked for President Clinton's help on this issue. Dr. Sohn praised President Clinton's appointment of a female Secretary of State, saying it influenced other countries. She concluded that South Korea's nongovernmental organizations would play

an even more important role in such a transitional stage.]

The President. Thank you. She has done quite a wonderful job, our Secretary of State. And we have six women in the Cabinet now, including the Attorney General and the Secretary of Health and Social Services, the Secretary of Labor, the head of the Environmental Protection Agency, and the head of the Council of Economic Advisers, and our Trade Representative—seven women in the Cabinet—our Trade Representative. We're better for it. They're very good. Thank you.

Ambassador Bosworth. Mr. President, do you have any concluding remarks you would like to make?

The President. Does anyone else want to speak before we go?

[A participant stated that the majority of South Koreans had confidence in the market economy and democracy, although the Korean family structure was suffering, and asked for the President's help in the areas of unemployment policy and corporate accountability regarding the work force.]

The President. Anything else?

[A participant said that Korea-U.S. trade was important to both economies and asked for continued support and assistance from the United States.]

The President. You may be sure that we will do that. I think that we have to do more in many ways. We just announced a U.S.-Japan Asian economic initiative to try to work with the World Bank—I mean, the IMF—to help restructure some debt in countries where you have to restructure corporate and business debt, longer term repayments, do things that will keep employment up. We have more active presence of our Export-Import Bank and our Overseas Private Investment Corporation to try to facilitate economic activity in Korea. I think all this is important.

But I also believe it's quite important, if you're going to get into this restructuring of the conglomerates, you have to also say, where are the jobs going to come from? And part of what Senator Baucus was saying, that means you have to have a strong consumer ethic in the country, as well as a savings ethic.

But I believe some real attention needs to be given—and I would support this—toward

analyzing whether the banking system has adequate credit for businesses like yours for startups, for expansions, for going on, because the Korean people are so innovative, they work so hard, they're so gifted at economic things naturally, that if the system is open properly, I think you could have quite a quick recovery. So I think that ought to be looked at.

I just want to say one final thing about this. I haven't mentioned it, and we don't have time to talk about it now. But the rest of us—the United States and Europe, Japan, and Korea as an OECD member—we have responsibilities to deal with the problems that would be there if you solved all these issues. If there were none of these issues we just talked about, fast-growing countries would still be vulnerable to the kind of suffering you've seen because of the way money moves around the world today.

You talked to me about the trade issue in steel. Now, steel—let's just take steel, for example—any product. It's traded across the world under a set of rules governed by the WTO that basically readopted the last system in 1995—or '94, I guess, December of '94, the present WTO—in the United States, at least, we did. But it's essentially an outgrowth of a 50-year-old system. From the end of World War II, we established these institutions for trade in goods and services—the IMF, the World Bank, the trading rules—and to help countries that were struggling like that.

Money has to be able to move around the world if you're going to trade in goods and services. But one big problem is that now \$1.5 trillion is traded every day in currency—trillion dollars—and money can move very rapidly. So if the Korean conglomerates or Korean banks, you know, well, they have a big demand for money, the money comes in. And there is a lot of enthusiasm because Korea has been growing for 30 years and no problem, you know. Then the problems come up, and boom, the money goes away. And if people lose money, then maybe they have to take money out of other countries, too, to cover their losses. To make matters more complex, a lot of this money is traded or moved on a very small margin, sometimes only 10 percent.

Now, there are no rules in the global economy comparable to the trading rules that govern our business in steel. Eventually—let's suppose

we have this big argument about steel; eventually we have to go back to the rules. And whatever the deal is, it's limited; there's some limit on both sides so we can go on and do our business.

In this area, there aren't that many rules, and it has created a serious problem that makes every country, particularly the Asian countries because you've got so much money coming in, highly vulnerable to all the money going out. And what we have to do is to find a set of rules about, well, what do people have a right to know when they get loans, how are these loans going to be priced, should there be margin requirements on the derivatives and the hedge funds and all this sort of stuff, and all these things.

We don't have time to get into the details. The only point I want to make is, I would recommend that you focus very closely on what you should be doing in Korea, both within your own area and in the society at large. But don't be fooled; when \$1.5 trillion is moving around the world every day, then the possibility for instability is great. And we need a set of rules that will enable the financial system to grow in the same way that the trading and investment system has grown, so you can have high levels of growth but still some limits to avoid a big

collapse. And that's one of the things we're trying to do. And you should not blame yourself for that, because the situation here is worse than it would have been because of the volatility and size of the financial crisis. The same thing is true everywhere. We have to keep the money flowing, but we have to figure out how to keep it from getting out of hand.

Ambassador Bosworth. Mr. President, I think you've just given us the subject for our next roundtable. [*Laughter*]

I want first of all to thank our Korean friends for joining us here this afternoon. I want to thank you, Mr. President, for giving us all the opportunity to have such a stimulating discussion. And I want to thank Senator Baucus and Secretary Koh for joining us as well. I want to thank you, Mr. President, in particular, for giving me the opportunity to serve as your representative in this country at this fascinating time. It is truly a life experience. Thank you all.

The President. I envy you. It's a good job. Thank you all very much.

NOTE: The President spoke at 3:40 p.m. at the National Folk Museum. The discussion participants spoke in Korean, and their remarks were translated by an interpreter.

Remarks at a Dinner Hosted by President Kim Dae-jung of South Korea in Seoul

November 21, 1998

Mr. President, thank you for your kind words and your kind welcome to Korea. I am very conscious that this visit, my third to Korea as President, comes at a pivotal time in the history of this great nation. In that regard, Mr. President, I would like to thank you for giving my fellow Americans and me the opportunity to have dinner tonight with such a broad range of people from every aspect of Korean society. And especially, thank you for having so many young people here, for it is their lives that will be most affected by the decisions we must make.

First, this is a moment of opportunity, on the 50th anniversary of your Republic, to complete what you, Mr. President, have called Ko-

rea's second nation building, securing in freedom the gains of your remarkable postwar transformation. It is also a challenging moment, for the Korean people have suffered from the whims of economic disruption and dislocation that have blown so strongly throughout all Asia. We in the United States have been heartened by the signs that your efforts at reform and recovery are beginning to succeed.

Mr. President, if Korea is on the right path—and I believe it is—it is not simply because economists have given good advice and leaders have made wise choices. More fundamentally, it is because a free people have given their leaders a mandate to confront problems with